News Release

Groupe Aeroplan Inc. Reports 2009 Second Quarter Results

Business shows resiliency through challenging economic times

Montreal, QC, August 14, 2009 – Groupe Aeroplan Inc. (the "Corporation") (TSX: AER), today reported its 2009 second quarter results.

Second Quarter 2009 Operating Highlights

- Gross billings, on a constant currency basis, down by just under 3% compared to the second quarter of 2008
- Redemption activity in all programs within normal seasonal levels and redemption costs in Canada in line with annual outlook and historical second quarter trends
- Execution of international expansion plans, as evidenced by the planned launch of a coalition loyalty program in Italy in 2010

"While Groupe Aeroplan has shown resiliency in the face of lower consumer spending, we believe the uncertainty surrounding Air Canada has had an additional impact on our Canadian business, ultimately influencing the average per card spend in our financial partner portfolio, which was also impacted, both by a decline in business travel and the recession," said Rupert Duchesne, President and Chief Executive Officer. "However, this was partially mitigated by the fact that members in all of our programs were active in both accumulation and redemption activities and we continue to execute against our growth strategy with the announcement of significant milestones, such as the successful Homebase partnership in the UK and the launch of a coalition loyalty program in Italy.

"Assisting Air Canada by loaning the airline $150 million was the right thing to do, both from a commercial perspective and for the benefit of all of our stakeholders," added Duchesne. "Now that their liquidity situation has been stabilized, they can focus on their plans to reposition the airline and strengthen their customer value proposition. A stronger Air Canada, a key strategic partner, means our Canadian program will be in a better position going forward."

"Groupe Aeroplan has a healthy balance sheet and strong liquidity position," said David Adams, Executive Vice President and Chief Financial Officer. "Our strong cash generating ability and underlying fundamentals enabled us to refinance our $650 million credit facilities and access credit markets by raising $200 million of series 1 notes in this extremely tight credit environment, while maintaining our investment-grade credit rating."

Second Quarter 2009 Financial Highlights

- Gross Billings of $337.8 million, after a negative currency impact of $9.3 million
- Revenue of $333.5 million, after an negative currency impact of $8.0 million
- Operating income of $37.5 million
- Net earnings of $26.7 million
- Adjusted EBITDA of $70.6 million*
- Adjusted net earnings of $52.3 million*

Financial Performance (compared to Second quarter of 2008)

Gross Billings

Consolidated gross billings for the three months ended June 30, 2009, on a constant currency basis, declined by $10.6 million or just under 3.0%, compared to the second quarter of 2008. Including the currency impact, gross billings amounted to $337.8 million compared to $357.9 million, representing a decrease of $20.1 million or 5.6%, with approximately 47% relating to the devaluation of the £ sterling compared to the Canadian $, affecting the translation of our foreign operations.

Revenue

Revenue amounted to $333.5 million for the three months ended June 30, 2009 compared to $336.7 million for the three months ended June 30, 2008, representing a decrease of $3.2 million or just under 1.0%.

Operating Income

For the second quarter, operating income, before amortization of accumulation partners' contracts and technology, amounted to $58.0 million compared to $69.5 million for the three months ended June 30, 2008, representing a reduction of $11.5 million. The variance is mostly attributable to an increase in the Average Cost of Rewards per Mile redeemed under the Aeroplan program and a marginal decrease in selling, general and administrative expenses, compared to the second quarter of 2008.

The increase in Average Cost of Rewards per Mile redeemed during the quarter reflects the redemption mix of rewards, including the increase in the cost of Star Alliance redemptions due to fluctuations of the US$, the underlying distances of itineraries and more expensive class of service of air rewards redeemed, and marginally, by unit cost increases related to reductions in capacity by the airline.

Net Earnings

Net earnings of $26.7 million for the quarter reflected reduced margins, driven by a higher Average Cost of Rewards per Mile redeemed for the quarter, a higher income tax expense related to the Canadian operations as a result of the conversion to a corporation in the second quarter of 2008, partially offset by non-operating items related the Corporation's financial structure and foreign

* See Non-GAAP measures below.

exchange fluctuations.

Liquidity

At the end of the second quarter 2009, the Corporation had $590.0 million of cash and cash equivalents and $34.6 million of short-term investments, for a total of $624.6 million including the Aeroplan Canada redemption reserve of $400 million.

Adjusted EBITDA† and Free Cash Flow‡

Adjusted EBITDA for the three months ended June 30, 2009 amounted to $70.6 million, which represents 20.9% of Gross Billings, compared to $81.9 million generated during the second quarter of 2008 or 22.9% of Gross Billings.

Free cash flow amounted $90.8 million, compared to $43.6 million for the three month period ended June 30, 2008, mainly as a result of:

- cash generated from operations of $29.7 million, including the effect of the reversal of the temporary acceleration of payment terms, related to Air Canada, partially offset by lower net earnings for the quarter of $4.7 million;
- lower capital expenditures of $0.6 million incurred during the second quarter of 2009, and
- a reduced level of dividends of $17.0 million paid during the second quarter of 2009 compared to the second quarter of 2008, resulting from the conversion to a corporation on June 25, 2008.

Outlook for 2009

Current market conditions, with reduced consumer expenditures and business travel, make it difficult to predict 2009 performance. Assuming current economic conditions prevail and absent out of the ordinary events, affecting the travel industry in particular, Groupe Aeroplan would expect to see a decline of 2 - 4% in consolidated gross billings, for the full year 2009, as compared to 2008. In addition, for 2009, the Corporation expects the Average Cost of Rewards per Mile Redeemed, under the Aeroplan Program, to remain in the low nineties for the remainder of the year and not to exceed 0.95 cents on an annual basis throughout 2010, with gross margin in the Canadian segment remaining relatively stable.

The outlook provided constitutes forward-looking statements within the meaning of applicable securities laws and should be read in conjunction with the section below entitled “Caution Concerning Forward-Looking Statements”.

† See Non-GAAP measures below.

Corporate Developments

Dividend

The Corporation announced today that the Board of Directors declared a quarterly dividend of $0.125 per common share, payable on September 14, 2009 to shareholders of record at the close of business on August 28, 2009.

Air Canada Financing

On June 29, 2009 Groupe Aeroplan announced that Aeroplan Canada Inc. and Air Canada agreed to immediately unwind the acceleration of payment terms in effect as a result of an agreement entered into in November 2008. Concurrent with the repayment by Air Canada of all remaining amounts previously accelerated, Aeroplan agreed on June 29, 2009, to make available to Air Canada, on a secured basis, a revolving loan to replace the existing acceleration of payments arrangement. The loan was in an amount equal to the aggregate of the previous 60 days accumulated purchases by Aeroplan of reward seats from Air Canada, up to a maximum of $100 million, and was repaid in full on July 30, 2009.

On July 30, 2009 Aeroplan Canada Inc. entered into a credit agreement with Air Canada and other parties pursuant to which it advanced $150 million of a total of $600 million to the airline for a 5-year term, repayable starting in August 2010 and ending in July 2014. As part of this credit agreement, Aeroplan and Air Canada agreed to mutually beneficial commercial terms, none of which negatively affect the availability of capacity for redemptions and pricing applicable to the purchase of Aeroplan Miles or reward travel seats.

Launch of Coalition Loyalty Program in Italy

On June 30, 2009, Groupe Aeroplan announced that it will launch a coalition loyalty program in Italy in 2010. The program is modeled on its successful Nectar program in the UK. Groupe Aeroplan will have a majority participation of 75% in the new Italian program.

Credit Facilities

On June 12, 2009, the Corporation announced that it concluded a renewal of its $650 million credit facilities with its lending syndicate. At June 30, 2009, $500 million of the credit facilities were drawn and $150 million remained committed and available.

The new secured credit facilities, which consist of a bridge loan of $100 million, with its maturity under certain conditions, extending until June 19, 2010, at the option of Groupe Aeroplan; as well as a term facility of $300 million and a revolving facility of $250 million, both maturing on April 23, 2012, rank pari passu with the Senior Secured Notes Series 1 due in 2012, issued by the Corporation in April 2009.

Labour Relations

On May 22, 2009, Groupe Aeroplan announced that following the outcome of mediation at the Canada Industrial Relations Board, Aeroplan Canada Inc., Air Canada and the CAW Local 2002 reached an agreement on the transition of contact centre agents to Aeroplan. The transfer of the 805 contact centre employees was fully effected on June 14, 2009.

Issuance of Senior Secured Notes

In April 2009, the Corporation issued an aggregate of $200 million principal amount of 9% Series 1, Senior Secured Notes (the "Notes"), maturing on April 23, 2012.

The proceeds from the Notes issued were used to repay the $200 million current portion of the bridge facility entered into at the time of the acquisition of Loyalty Management Group.

Recent Developments

Partnerships

Katz Group Canada

As announced yesterday, Aeroplan has signed a multi-year agreement with Katz Group Canada that will enable members of the Aeroplan Program to earn miles on purchases at select Rexall and Rexall Pharma Plus locations in Western Canada, Thunder Bay, Ontario and the North West Territories.

Expedia

On June 15, 2009, Nectar announced its new redemption offering with Expedia.co.uk., the UK's largest online travel agent and the only travel company which offers its customers the ability to collect and spend their Nectar points on travel deals around the world.

Homebase

On May 18, 2009, Homebase, the UK's second largest home improvement retailer, became Nectar's do-it-yourself partner allowing Nectar members to earn Nectar Points at Homebase's 330 stores. More than 400,000 new Nectar members signed up and over 3 million members collected points at Homebase within ten weeks.

TAM Airlines

On April 27, 2009, Aeroplan announced the addition of Air Canada's partner TAM Airlines (TAM) to its growing roster of travel partners.

Non-GAAP Measures

In order to provide a better understanding of the results, the following terms are used:

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization

EBITDA adjusted for certain factors particular to the business, such as changes in deferred revenue and Future Redemption Costs ("Adjusted EBITDA"), is used by management to evaluate performance, and to measure compliance with debt covenants. Management believes Adjusted EBITDA assists investors in comparing the Corporation's performance on a consistent basis without regard to depreciation and amortization, which are non-cash in nature and can vary significantly depending on accounting methods and non-operating factors such as historical cost.

Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to operating income or net income in measuring performance, and is not comparable to similar measures used by other issuers. For a reconciliation to GAAP, please refer to the *SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF EBITDA, ADJUSTED EBITDA, ADJUSTED NET EARNINGS AND FREE CASH FLOW* included in the attached schedule. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows.

Adjusted Net Earnings

Net earnings in accordance with GAAP adjusted for Amortization of Accumulation Partners' contracts and technology; Change in deferred revenue, Change in Future Redemption Costs and the income tax effect thereon calculated at the effective income tax rate as reflected in the statement of operations, provides a measurement of profitability calculated on a basis consistent with Adjusted EBITDA.

Adjusted Net Earnings is not a measurement based on GAAP, is not considered an alternative to net earnings in measuring profitability, and is not comparable to similar measures used by other issuers. For a reconciliation to GAAP, please refer to the SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF EBITDA, ADJUSTED EBITDA, ADJUSTED NET EARNINGS AND FREE CASH FLOW included in the attached schedule.

Standardized Free Cash Flow ("Free Cash Flow")

Free Cash Flow is a non-GAAP measure recommended by the CICA in order to provide a consistent and comparable measurement of free cash flow across entities of cash generated from operations and is used as an indicator of financial strength and performance.

Free Cash Flow is defined as cash flows from operating activities, as reported in accordance with GAAP, less adjustments for:

(a) total capital expenditures as reported in accordance with GAAP; and
(b) dividends, when stipulated, unless deducted in arriving at cash flows from operating activities.

For a reconciliation to cash flows from operations please refer to the SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF EBITDA, ADJUSTED EBITDA, ADJUSTED NET EARNINGS AND FREE CASH FLOW included in the attached schedule.

EBITDA and Free Cash Flow are non-GAAP measurements recommended by the CICA in accordance with the draft recommendations provided in their February 2008 publication, *Improved Communications with Non-GAAP Financial Measures – General Principles and Guidance for Reporting EBITDA and Free Cash Flow*.

Quarterly Investor Conference Call / Audio Webcast

Groupe Aeroplan Inc. will hold an analyst call at 1:00 p.m. ET on Friday August 14, 2009 to discuss its 2009 second quarter results. The call may be accessed by dialing toll free: 1-800-731-6941 or 416-644-3424 for the Toronto area. The call will be simultaneously audio webcast at: http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2732400.

An archive of the audio webcast will be available at: http://www.groupeaeroplan.com/pages/invEvents.php for ninety days following the original broadcast.

The unaudited consolidated financial statements. the MD&A and analysis and a slide presentation will be accessible on the investor relations website at www.groupeaeroplan.com under Financial Results.

About Groupe Aeroplan Inc.

Groupe Aeroplan Inc. is a leading international loyalty management corporation. Groupe Aeroplan owns Aeroplan, Canada's premier loyalty program and Nectar, the United Kingdom's leading coalition loyalty program. In the Gulf Region, Groupe Aeroplan owns 60 per cent of Rewards Management Middle East, the operator of Air Miles programs in the United Arab Emirates, Qatar and Bahrain. Groupe Aeroplan also operates LMG Insight & Communication, a customer-driven insight and data analytics business offering international services to retailers and their suppliers.

For more information about Groupe Aeroplan, please visit www.groupeaeroplan.com.

Caution Concerning Forward-Looking Statements

Certain statements in this news release may contain forward-looking statements. Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business and its corporate structure. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, risks related to the business and the industry, Air Canada liquidity issues, dependency on top Accumulation Partners, Air Canada or travel industry disruptions, Airline industry changes and increased airline costs, reduction in activity, usage and accumulation of Aeroplan Miles, retail market/economic downturn, greater than expected redemptions for rewards, industry competition, supply and capacity costs, unfunded Future Redemption Costs, failure to safeguard databases and consumer privacy, consumer privacy legislation, changes to the Aeroplan and Nectar Programs, seasonal nature of the business, other factors and prior performance, regulatory matters, VAT appeal, reliance on key personnel, labour relations and pension liability, technological disruptions and inability to use third party software, failure to protect intellectual property rights, currency fluctuations, interest rate and currency fluctuations, leverage and restrictive covenants in current and future indebtedness, dilution of Groupe Aeroplan shareholders, uncertainty of dividend payments, level of indebtedness – refinancing risk, managing growth as well as the other factors identified throughout the MD&A. The forward-looking statements contained herein represent Groupe Aeroplan's expectations as of August 13, 2009, and are subject to change after that date. However, Groupe Aeroplan disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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For more information, please contact:

Media
Michele Meier
514-205-7028
michele.meier@aeroplan.com

JoAnne Hayes
416-352-3706
joanne.hayes@aeroplan.com

Analysts
Trish Moran
416-352-3728
trish.moran@aeroplan.com

SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF EBITDA, ADJUSTED EBITDA, ADJUSTED NET EARNINGS AND FREE CASH FLOW

(in thousands, except miles, share and per share information)	Three months ended June 30,		Six months ended June 30,		%∆	
	2009	2008	2009	2008	Q2	YTD
	$	$	$	$		
Gross Billings from the sale of Aeroplan Miles	**337,832**	**357,858**	**664,080**	**700,508**	**(5.6)**	**(5.2)**
Aeroplan Miles revenue	312,400	317,579	648,144	654,865	(1.6)	(1.0)
Other revenue	21,115	19,149	41,195	38,078	10.3	8.2
Total revenue	333,515	336,728	689,339	692,943	(1.0)	(0.5)
Cost of rewards	(201,728)	(192,593)	(428,090)	(415,820)	4.7	3.0
Gross margin	131,787	144,135	261,249	277,123	(8.6)	(5.7)
Selling, general and administrative expenses	(68,626)	(69,627)	(134,767)	(134,138)	(1.4)	0.5
Depreciation and amortization	(5,127)	(4,998)	(10,064)	(9,670)	2.6	4.1
Operating income before amortization of Accumulation Partners' contracts and technology	**58,034**	**69,510**	**116,418**	**133,315**	**(16.5)**	**(12.7)**
Depreciation and amortization	5,127	4,998	10,064	9,670	2.6	4.1
EBITDA (1)	**63,161**	**74,508**	**126,482**	**142,985**	**(15.2)**	**(11.5)**
Adjustments:						
Change in deferred revenue						
Gross billings from the sale of Aeroplan Miles	337,832	357,858	664,080	700,508		
Aeroplan Miles revenue	(312,400)	(317,579)	(648,144)	(654,865)		
Change in Future Redemption Costs (2)	(18,029)	(32,931)	(7,101)	(32,501)		
(Change in Net Aeroplan Miles outstanding x Average Cost of Rewards per Mile for the period)						
Subtotal of Adjustments	7,403	7,348	8,835	13,142		
Adjusted EBITDA (1)	**70,564**	**81,856**	**135,317**	**156,127**	**(13.8)**	**(13.3)**
Net earnings in accordance with GAAP	**26,746**	**31,454**	**49,974**	**73,586**		
Weighted average number of shares	199,462,480	199,402,234	199,423,366	199,402,426		
Earnings per share	0.13	0.16	0.25	0.37		
Net earnings in accordance with GAAP	**26,746**	**31,454**	**49,974**	**73,586**	**(15.0)**	**(32.1)**
Amortization of accumulation partners' contracts and technology	20,485	22,688	40,200	45,366		
Subtotal of Adjustments (from above)	7,403	7,348	8,835	13,142		
Effective tax rate (3)	32.15%	9.09%	25.38%	0.15%		
Tax on adjustments at the effective rate	(2,380)	(668)	(2,242)	(20)		
Adjusted net earnings (4)	**52,254**	**60,822**	**96,767**	**132,074**	**(14.1)**	**(26.7)**
Adjusted net earnings per share	0.26	0.31	0.49	0.66		
Cash flow from operations	**121,843**	**92,188**	**105,831**	**116,591**	**32.2**	**(9.2)**
Maintenance Capital Expenditures	(6,005)	(6,558)	(13,987)	(13,423)		
Dividends	(24,997)	(41,994)	(49,994)	(83,988)		
Free cash flow (4)	**90,841**	**43,636**	**41,850**	**19,180**	**108.2**	**118.2**
Total dividends declared	24,997	41,994	49,994	83,988		
Total dividends declared / share	0.125	0.21	0.25	0.42		

(1) A non-GAAP measurement, excluding the effect of the "Foreign Exchange" line of the Statement of Operations, as it reflects the impact of the currency SWAP.

(2) The per unit cost derived from this calculation is retroactively applied to all prior periods with the effect of revaluing the Future Redemption Cost liability on the basis of the latest available average unit cost.

(3) Effective tax rate calculated as follows: income tax expense per statement of operations / earnings before income taxes for the period.

(4) A non-GAAP measurement.

SUMMARY OF QUARTERLY RESULTS

This section includes sequential quarterly data for the six quarters ended June 30, 2009.

(in thousands, except per share amounts)	2009		2008			
(unaudited)	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
	$	**$**	**$**	**$**	**$**	**$**
Gross Billings	**337,832**	**326,248**	**364,437**	**355,603**	**357,858**	**342,650**
Aeroplan Miles revenue	312,400	335,744	409,552	313,319	317,579	337,286
Other revenue	21,115	20,080	20,780	21,635	19,149	18,929
Total revenue	**333,515**	**355,824**	**430,332**	**334,954**	**336,728**	**356,215**
Cost of rewards	201,728	226,362	252,229	191,033	192,593	223,227
Gross margin	131,787	129,462	178,103	143,921	144,135	132,988
Selling, general and administrative expenses	68,626	66,141	66,426	71,027	69,627	64,511
Depreciation and amortization	5,127	4,937	6,494	4,472	4,998	4,672
Operating income before amortization of Accumulation Partners' contracts and technology	58,034	58,384	105,183	68,422	69,510	63,805
Amortization of Accumulation Partners' contracts and technology	20,485	19,715	19,836	22,636	22,688	22,678
Operating income	37,549	38,669	85,347	45,786	46,822	41,127
Net earnings (loss)	**26,746**	**23,228**	**(1,073,752)** *(2)*	**34,956**	**31,454**	**42,132**
Adjusted EBITDA *(1)*	70,564	65,228 *(4)*	80,559 *(4)*	79,366 *(4)*	81,856 *(4)*	73,267 *(4)*
Adjusted net earnings *(1)*	52,254	44,551	84,661 *(3)*	63,229	60,822	69,971
Net earnings	**26,746**	**23,228**	**86,948** *(3)*	**34,956**	**31,454**	**42,132**
Earnings per share	0.13	0.12	0.44 *(3)*	0.18	0.16	0.21
Free cash flow *(1)*	90,841	(48,991)	42,492	115,868	43,636	(24,456)
Earnings per share, in accordance with GAAP	0.13	0.12	(5.39)	0.18	0.16	0.21

(1) A non-GAAP measurement.

(2) Includes impairment charge.

(3) Excludes impairment charge.

(4) A non-GAAP measurement, excluding the effect of the "Foreign Exchange" line of the Statement of Operations, as it reflects the impact of the currency SWAP.